UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

LeMond Cycling, Inc.,

Plaintiff,

v.

Trek Bicycle Corporation,

Defendant

v.

Greg LeMond

Third-Party Defendant

Case No. 0:08-CV-1010 (RHK/JSM)

DECLARATION OF GREG LEMOND

I, Greg LeMond, hereby declare as follows:

1. I have had a sublicense agreement with Trek since 1995. Trek approached me for the reasons stated in the contract that they signed with my company, LeMond Cycling, because my brand had a reputation for a high standard for quality. Trek also had an interest in me because I was the first American to win the Tour de France in a sport dominated by Europeans and was popular in and out of the cycling community. For example, I had appeared on the cover of *Sports Illustrated* and other magazines. I have always been passionate about bicycle design and I wanted to build a brand and a high quality bike company. The bike company struggled because it was small, at times undercapitalized, and we had trouble keeping up with demand. But we had many successes. My company was the first American bike company to win the world championship (1989) and the Tour de France individual and team (1990). The team was "Z Clothing." It was when Trek approached me that I began considering expanding the commercial potential for the brand. Trek made a great pitch to persuade me, promising that we could do great things together.

2. Before entering into the contract with me, Trek assessed the value of my brand. I had developed a sound bike company and the bikes had a great reputation. I chose to sublicense my name because it made more business sense due to the size of my

operation and my concern about being able to absorb potential liability issues inherent with bikes.

3. Before negotiations with Trek, the use of my brand and image helped take Oakley, a sunglass company, from a zero revenue company in glasses to literally hundreds of millions of dollars. It later sold for approximately $2 billion. I had also helped to launch the Giro helmet company. I also helped found LeMond Fitness, Inc., which is a successful exercise equipment company that bears my name. LeMond Fitness, Inc. was established after the well-known fitness company Stairmaster first licensed a line of spin cycles using my name, and when Stairmaster went bankrupt I worked with a group of partners to start LeMond Fitness. I also personally negotiated professional cycling contracts that changed the industry's whole pay structure. I have had a number of successes in business and in real estate and do not consider myself a bad business person, but I still honor my conscience with each business decision I make.

4. In 1995 I signed two contracts with Trek, one was a sublicense agreement for bicycles and bicycle frames, and the other was for accessories. The sublicense agreement with Trek was amended in 1999 after John Burke asked that Trek be let out of the accessories contract. I made sure that the 1999 Amendment provided for a minimum royalty specific to international sales because I was so frustrated by Trek's poor international sales of my brand.

5. I have consistently and repeatedly discussed the importance of having my brand on a professional cycling team to increase the marketing and image in both the United States and in Europe. I first began insisting that Trek get my brand in Europe on a professional team in 1996. I felt that my product manager at Trek, Dean Gore, really wanted to get my brand in Europe and on a professional team, but that higher people at Trek would not let him. I found Trek's resistance to putting my brand on European professional cycling teams frustrating since just two years before I began working with Trek, Gilbert Duclosse La Salle won Paris-Roubaix on a LeMond bicycle and because my bikes had won the Tour de France and the World Championships. I was also one of the most liked and popular cyclists in Europe.

6. In 1998 and 1999 I provided a business plan for LeMond Cycling Tours, a high-end luxury bike touring company. I saw this as a great way to market my brand and stay involved with cycling as well as to increase my sales in Europe since I would have been in Europe more often and had more contact with the press and the Tour de France. When I gave John Burke the business plan he immediately turned it down saying that Trek had no interest in doing a travel company. But then, three years later, Trek launched Trek Travel and John Burke asked me to do several Trek Travel events.

7. I have always been an outspoken critic of doping and my image about clean riding was established in the 1980s. It is an issue I care deeply about and I have read and heard of hundreds of riders who have died or encountered other health problems that I

believe are related to the doping problem, and my resolve has grown.

8. Only after the summer of 2001 did Trek choose to interpret my stance against doping as damaging to my brand. They never claimed that I caused any damage to my brand in 1998 when I spoke up about the Festina Affair. Anyone following cycling in the early 90s and even the 80s knows that I've always been against drugs in cycling and wanted a clean sport.

9. When I commented about Lance Armstrong's involvement with Dr. Ferrari, I made the most benign comment I could to keep it true to myself without causing an uproar. My comment was that I was disappointed and devastated that Lance Armstrong had seen Dr. Ferrari. It was an honest statement; I was disappointed and devastated. Dr. Ferrari is a notorious supporter of drug use in sports and his reputation only aids in the poor image of cycling.

10. It was the journalist David Walsh who posed the following question to me: *Well, wouldn't you say if Lance Armstrong is clean it would be the greatest comeback in the history of sports?* I told him I agreed with this statement. Mr. Walsh then asked: *If Lance Armstrong was not clean, wouldn't you consider that to be the greatest fraud?* I agreed with this as well because I think it is a true statement. I have never called Lance Armstrong a fraud, although Trek and Lance Armstrong have chosen to interpret my agreement with Mr. Walsh's statements as saying that.

11. Due to my connections within the cycling world, I often have access to insider information from individuals who are in positions to see and hear what the general public does not see and hear. The information provided to me by such individuals weighs on me as one who loves professional cycling. I directly know of individuals, including myself, who have been threatened and bullied to keep them from allowing any such insider knowledge to become public.

12. Beginning in the summer of 2001, after Mr. Walsh attributed the statement "[i]f Lance is clean, it is the greatest comeback in the history of sports. If he isn't, it would be the greatest fraud" to me, I began receiving threatening phone calls. I was contacted by Lance Armstrong, three associates of Lance Armstrong, and by John Burke. I felt threatened by Lance Armstrong and his associates. John Burke pressured me to issue a press release that had been drafted by Lance Armstrong's agent, Bill Stapleton, because if I did not, Lance Armstrong would sever his relationship with Trek. At some point, John Burke agreed with me that the threat that Lance Armstrong would sever his relationship with Trek if I did not issue the press release was extortion. John Burke insisted that I issue the statement for the good of Trek. Even though John Burke claimed that he had my best interest at heart because I was hurting myself by speaking out, I have always urged that the best thing for the sport in the long run was to take the more honest and honorable position and denounce the use of drugs. I believe that it is Trek's actions and demands on me that have made me sound inconsistent and undermined my

credibility, and I am extremely frustrated by this.

13. Because I was scared and because I felt that my reputation and integrity were being threatened, I taped phone calls around the time period that Mr. Walsh attributed the statement to me that upset Lance Armstrong. My wife and I contacted the Medina police before doing so and explained what was going on. They told me that taping would be a good way to protect myself. An example of the recorded phone conversations are recordings of phone calls with John Burke from Trek related to the statement and what Trek and Lance Armstrong demanded I do about it. This was a humiliating and emotionally exhausting time for me because Trek was making me choose between my conscience and my bike business, which I had grown to depend on financially. After extensive discussions about what Trek wanted me to say and what I was comfortable saying, a statement appeared in newspapers. I read versions of the statement in the press that were presented as if done in an interview format, although I never gave an interview to anyone. It was an extremely difficult time, and it has haunted me ever since. Since then, I have struggled to make my peace with what Trek continued to demand of me in terms of silence and my own conscience and principles.

14. The statement attributed to me by Mr. Walsh in 2001 was revived in the press in 2004 when Mr. Walsh published a book that reused that statement. I believed it was old news, but I received numerous requests for interviews. Aware but frustrated by Trek's wanting me to be silent about the topic, I only gave two interviews, one to ESPN and one to the French newspaper *Le Monde*, which I agreed to do only because the integrity of the author was in question. There are long periods of time in the last seven years when I did not speak due to Trek's pressure on me not to do so. This is true even during numerous difficult times when Trek had knowledge of and condoned disparaging remarks made about me by Lance Armstrong and others associated with him.

15. Trek has never supported me in having a meaningful role in the anti-doping movement. I understand as a business person that there will always be people who do not like that I am outspoken on controversial and emotional topics such as this one. I have always believed and continue to believe that it is better to be true to who you are and build on that rather then pretend to be something else. I have also always believed, and continue to believe, that not only is there a consumer market for products associated with my name and willingness to seek the truth, but that avoiding the problem would prove bad for business because doping is bad for business. Contrary to my wishes, Trek has done nothing to build a brand identity for LeMond bikes based on such a belief system. They've done the opposite when faced with statements that they've known to be inaccurate or derogatory about me and instead of defending the LeMond brand have either sat silent or participated in the negative and inaccurate commentary.

16. In 2004, after publication of an interview I did, Trek claimed that it received a large volume of emails expressing a negative reaction to the article. I have

seen these and the anonymous emails Trek publicly displayed during its April 8, 2008 press conference on several occasions. Trek has brought them out each time they have tried to persuade me not to speak on doping-related issues using the argument that I was damaging my brand. I have offered to provide responses to the individuals so that they know I am speaking from my heart and conscience and so that they have additional information about who I am, but Trek has not allowed me to. I receive supportive mail and believe that Trek does too, but that is not what they share when they make the repeated claim that my brand is being damaged by my stance on doping in cycling. I feel that Trek has always manipulated the facts to put me in the worst light, rather than find positive ways to promote me and my stances against doping and for ethics in sports. There have been times when I have asked Trek to issue statements supporting my anti-doping stance and my courage to speak out on a controversial topic, but they have never done so.

17. I am a popular figure in Europe and frequently receive requests for interviews from reporters and media sources all over Europe, most frequently in France, Spain, England, Holland, Belgium, and Germany. I felt that there was at least the same, if not more potential, for my brand in the international market. I have frequently been approached, particularly by French bike distributors, with requests to distribute my bikes. I have always told them, because I have to since Trek controls all of the distribution, that they would have to work through Trek. But instead, I have seen that Trek has not done enough to promote my brand in Europe. For example, in 2007 I did the "L'Etape de Tour" in France and there was a small bike show at the start with all of the main bicycle manufacturers. I saw that Trek had a booth there but that there were no LeMond bikes on display. It was during this event that the head of Trek France told me that he wished he could have my brand because he believed it would be more popular than the Trek brand and that I have one of the best images in France. He also specifically mentioned the difficulty in working with the Trek brand because of Lance Armstrong's image. I told John Burke of the French distributor's interest and have repeatedly requested that Trek establish more distributors in France.

18. I have also seen Trek's failure to market and promote my bikes in the United States. For example, as early as 2004 and 2005, I began to receive contacts from dealers who told me that they wanted to continue selling LeMond-branded bikes, but could not obtain them from Trek. These dealers told me that they had been informed by Trek that the LeMond brand was being discontinued. In 2006, after Trek reprimanded me for saying that I was disappointed about Floyd Landis's doping test results, Trek told me that it did not want me to attend the 2006 annual Trek dealer show in Madison, Wisconsin. This is one of Trek's largest marketing events, and I told Trek I thought I should go to promote my brand. Trek said no.

19. Trek never invited me and didn't provide me with any official notification of the August 2007 annual Trek dealer show. I learned the date and location of the 2007

dealer show through a chance conversation with a Trek dealer in Seattle, Washington. I went to the 2007 dealer show at my own expense so that I could help promote my brand. When I got there, I was approached by multiple dealers who expressed concern that John Burke had not mentioned my brand during his opening speech the night before, even though he had talked about every single brand in the Trek family except my brand. Dealers were also concerned that John Burke had announced that no branded product manufactured by Trek would have a life-cycle of more than three years. The dealers were worried about whether new LeMond-branded bikes were being planned or whether the brand was being discontinued.

20. While I was at the 2007 Trek dealer show, I was unable to find a single Trek employee who could direct me to the location of the product break-out session where my products were being presented to dealers. The printed materials I found indicating locations of all break-out sessions did not mention my products. It took me 90 minutes to find the location of my products, which were in an area along with the Fisher-branded products. The area was marked with signs for the Fisher brand, but there were no signs indicating that my products were being presented anywhere.

21. During the August 2007 Trek dealer show, I spoke with a Trek product manager responsible for my products. He indicated to me that he was concerned that my brand was not mentioned in John Burke's speech and that he understood it to be an intentional decision made by Trek's upper management. The product manager said that he and his team wanted to continue with my brand because they believed it was a great brand, but that I would have to talk to John Burke. He also said that for any hope of readying a new design, the design would have to be developed and approved within one week. I made repeated attempts to meet with John Burke to discuss plan for new lines or items of products, but Mr. Burke did not make himself available until November 20, 2007. This was particularly upsetting, because, at the time, most of my designs were in the second year of their life-cycle and would be done more than two and one-half years before my contract with Trek expires.

22. Even without Trek's support, I have continued to promote my brand through events like charity rides which I enjoy and which are good for my brand. These include the "Tour de Cure," "Best Buddies," "Greg LeMond's Thresholds Ride," "Ride for the Roses," and many others. I used to participate in the "Trek 100" charity ride, but was not invited to attend the 2007 "Trek 100" charity ride.

23. My obligations to Trek under the contract are to assist Trek in promoting my brand. I have fulfilled this obligation to an extreme level. With very few exceptions when there have been important personal or family obligations that conflicted, I would not only do what Trek asked at promotional events, but stay on as long as was necessary to speak with individuals and sign autographs. John Burke himself, as well as Trek dealers and representatives, have said that I am very effective in shops and at trade shows because I am good with people and am a good salesman.

24. I have never resold or distributed LeMond-branded bicycles. I have never done anything with my bikes outside of what I am contractually entitled to do. When I negotiated my contract with Trek, an important part of that negotiation was that Trek agreed to allow me to provide bikes at cost to friends and family and to donate or provide bikes at cost to charities as I had in my prior bike business. The ability to sponsor select charity rides by giving participants and donors the opportunity to purchase bikes at cost is important to me. There was no limit on my ability to do this, and Trek never complained of the practice until April of 2008. I not only never intentionally profited from these purchases, sometimes I paid the money for the charity or individuals at the charity out of my own pocket. Trek never volunteered to cover such costs, with one exception when I asked them to provide six free bikes for the "Tour de Cure."

25. Over the history of my obtaining bikes at cost for friends, family, and charities, there have been a few minor incidents where individuals took advantage of the ordering process. On every occasion, this has been done without my knowledge and was immediately dealt with when discovered.

26. Trek has said publicly that I am unable to find other partners for my bike business. Taking up with a new partner is a significant undertaking and given all of the infrastructure established with Trek, it has never made good business sense. While Trek's treatment of me and my brand has led me to consider and evaluate finding other partners, I have for the most part tried to negotiate my peace with Trek, despite the difficult position they constantly put me in, and despite the fact that I had to constantly fight to get them to honor their contract. I do believe that there is a market for a brand associated with courageous positions and ethics in sports and had hoped that I could develop this market while working with Trek.

27. I declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of June, 2009.

Greg LeMond